

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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| THE APPLICATION OF CINCINNATI |) | |
| BELL LONG DISTANCE, INC., |) | |
| 125 EAST COURT STREET |) | |
| 10TH FLOOR |) | |
| CINCINNATI, OHIO 45202 |) | |
| FOR A CERTIFICATE OF PUBLIC |) | CASE NO. 9066 |
| CONVENIENCE AND NECESSITY |) | |
| TO PROVIDE INTRASTATE TOLL |) | |
| TELEPHONE SERVICE WITHIN |) | |
| THE COMMONWEALTH OF KENTUCKY |) | |

O R D E R

On May 22, 1984, Cincinnati Bell Long Distance, Inc., ("CBLD") filed an application with the Commission for authorization to provide resale of intrastate toll telephone service, specifically Wide Area Telephone Service ("WATS"), among all points in Kentucky. On June 8, 1984, CBLD filed a motion requesting provisional authority to begin operations pending issuance of a certificate of public convenience and necessity or, as an alternative, requesting expedited treatment of its application for said certificate. CBLD in support of its motion requested that provisional authority be granted because of the presence of other carriers already authorized to operate in CBLD's anticipated market area, as well as to enable CBLD to gain prior experience in service in order to decide whether or not to subscribe to equal access.

DISCUSSION

In Administrative Case No. 261, an Inquiry into the Resale of Intrastate Wide Area Telecommunications Service, the Commission granted WATS resellers the authority to provide toll type service statewide. In Administrative Case No. 273, an Inquiry into Inter- and Intralata Intrastate Competition in Toll and Related Services Markets in Kentucky, the Commission stated its intent to classify interLATA carriers as either dominant or nondominant for regulatory purposes, with carriers certified as nondominant being subjected to an abbreviated form of regulation relative to that applied to dominant carriers. The Commission also stated that WATS resellers and facilities-based Other Common Carriers ("OCCs") would be considered nondominant carriers and subject to the regulations applicable to carriers so designated. The Commission further stipulated that it would impose upon nondominant carriers "only that amount of regulation that it deems necessary to protect the customer and provide for orderly entrance of companies into the competitive market." As a caveat, the Commission also stated that the requirements in Administrative Case No. 273 would be monitored and revised whenever considered appropriate.

The Commission in this instance is concerned that CBLD's application to provide resale of WATS has significant implications not only for the competitive toll market, but also for the regulated local markets because of the possibility of loss of substantial toll contributions to the local companies. In addition, the existence of CBLD as a wholly-owned subsidiary of Cincinnati

Bell Enterprises Inc., itself a wholly-owned subsidiary of Cincinnati Bell Inc., presents the situation whereby CBLD could be in direct competition with its regulated sister corporation, Cincinnati Bell Telephone Company, in the provision of intrastate WATS. Because of the possible disruption in local regulated markets, the Commission is of the opinion that it is appropriate to fully exercise its regulatory authority in this instance and consider the issues raised by this application in greater detail. Therefore the Commission will deny CBLD's request for provisional authority or expedited treatment and will schedule a hearing on this matter on August 14, 1984.

FINDINGS AND ORDERS

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. CBLD's request for provisional authority to provide resale of WATS, or as an alternative, for expedited treatment, should be denied.

IT IS THEREFORE ORDERED that CBLD's request for provisional authority or expedited treatment is denied.

IT IS FURTHER ORDERED that this case be and it hereby is set for hearing on August 14, 1984, at 9:30 a.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 29th day of June, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary